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**TESTIMONY IN OPPOSITION OF RAISED BILL No. 5588 - AN ACT
CONCERNING THE LIABILITY OF UNIT OWNERS FOR CERTAIN COSTS
UNDER THE CONDOMINIUM ACT AND
THE COMMON INTEREST OWNERSHIP ACT**

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After reading the proposed changes to the Common Interest Ownership Act that Raised Bill No. 5588 presents, it creates quite a disruption to responsibility, access of insurance policies in the name of tenants and appears to protect landlords from their tenants' actions.

In the realm of an apartment building the landlord assumes full control of his or her tenants' actions and behavior as it pertains to physical damage or losses stemming from the liability portion of coverage, such as a slip and fall. There are specific insurance policies issued to landlords that fully and properly protect such exposures. Such insurance policies are extremely different and priced according to that increased risk compared to those policy portfolios tailored to protect a condominium association declared and operated in the State of Connecticut.

As an insurance agent who is familiar with the claim process at condominium associations, I have found property losses in units that are tenant occupied to be among the most difficult to settle in a timely manner. Some landlords are very attentive to their investment units in condominium associations, purchase appropriate policies to protect their interests as landlords and some of the most conscientious landlords mandate evidence of proper "Unit Owner" policies from their tenants that contain property coverage for the tenant's personal belonging, personal liability, but more importantly there is coverage referred to as "Loss of Use" in the event that the tenant is displaced due to a covered loss such as a fire. From my experience, this is the rare 'best case' scenario.

It is the group of landlords that don't fall into the attentive category that do not maintain any insurance or require it of their unit owners. When property damages occur in these rented condominium units, there could be large dollar claim responsibility that falls back onto the unit owner who is not protected by insurance. This alone will take a typical claim that the association in question must face and make it simply a complex expense

born to the community shared among all unit owners as opposed to having the protection of property written landlords' policies and tenants' policies, which are easily purchased at nominal premiums relative to the coverage they provide.

Throughout my years of claim handling experience, countless hours of continued education and my time volunteering with the Community Association Institute, I fully understand how condominium property claims can be tricky to settle as a function of what CIOA requires, which can be further defined within each condominium's set of Governing Documents. I am a firm believer of "transfer of risk" which is the core philosophy of the insurance industry and when certain residents of an association are absolved from major aspects of responsibility to maintain, protect and preserve the units they rent, the next stop along the line of risk transfer would be their landlord. I don't see why a landlord should not have the same responsibility for their tenants' actions that landlords do in apartment building scenarios.

Most chose to buy and live in a condominium, as referred to as a common interest community, to give up some responsibilities they once had in single family home living in maintenance, but this decision is often accompanied by the assumption that the community they chose to live in will have neighbors sharing that same core philosophy of taking care of their homes instead of relying on a landlord or the board of directors to fix and maintain everything. Condominium associations are homes, but they are common interest communities requiring all residents to pitch in, do their fair share and follow the governing documents. They are a very convenient location to live if you wish to share the responsibility with your neighbors to keep your community clean, maintained and a peaceful place to live.

It is also important to point out that if a residential condominium association has an increased number of non-owner occupied units (tenant occupied), most condominium master insurance policy providers will charge an increased premium because the actuarial data more than suggests that without the pride in ownership that the average unit owner has, a rented tenant occupied unit is more likely to sustain losses.

For the reasons stated above, I am in opposition of Raised Bill No. 5588 - An Act Concerning the Liability of Unit Owners for Certain Costs Under the Condominium Act and the Common Interest Ownership Act.